



Date: February 22, 2018

To: Mayor and Council members
Chairperson and Trustees of the Norman Tax Increment Finance Authority

From: Jeff Harley Bryant, City Attorney
Emily Pomeroy, Attorney from CEDL

Subject: Center City TIF – Policy Guide for implementation

BACKGROUND: The Center City Form Based Code (“CCFBC”) was adopted by the City Council at its meeting on May 23, 2017 to codify the goals and objectives of the Center City Vision. The City Council adopted the Norman Center City Project Plan (“Project Plan”) and Increment District No. 3 on December 19, 2017, to provide a tool to help with the implementation of the CCFBC. On December 20, 2017, the Community Planning and Transportation Committee (CP&T) met to discuss implementation strategies. The CP&T Committee met again on January 25, 2018, to review a draft Policy Guide presented by Emily K. Pomeroy of the Center for Economic Development Law (CEDL). After reviewing the draft and recommending revisions, CP&T Committee recommended the Policy Guide be moved forward for full Council review. At its February 13, 2018 City Council Special Session meeting, the Council reviewed the revised Policy Guide. The Council made additional suggested revisions. Attached is the proposed revised Policy Guide for implementation of the Norman City Center Project Plan and Increment District No. 3.

DISCUSSION: The CCFBC recognizes that the area identified as Center City is a unique area of Norman. It promotes mixed uses and increased density in certain locations, a broader range of housing options, and an improved connection between Downtown Norman and the University of Oklahoma that will increase walkability, promote biking, and result in a “park once” environment. The Project Plan authorizes \$44,000,000 in Project Costs, primarily utilizing the Johnson & Associates Infrastructure Analysis as recommended public infrastructure costs to accommodate the implementation of the CCFBC anticipated to result in increased population densities in the Center City area. (The Project Plan also authorizes an additional \$3,400,000 in Project Costs for contingencies, and implementation/administration costs.) The Project Plan authorizes 90% of the increment generated from increases in property taxes resulting from new private investment in the Increment District to be used to pay authorized Project Costs.

With the adoption of the Project Plan, incremental ad valorem revenues will begin to be collected next fiscal year and will be disbursed to the apportionment fund for use in accordance with the Project Plan in FYE 2020. Increment generated is estimated to be \$120,000 in the near term and \$3.7 million in the long term. This identified revenue stream may be used to pay for authorized Project Costs.

The Project Plan contemplates that the majority of public infrastructure and improvements will be undertaken through medium and large-scale public projects to be financed or funded up-front, with such costs repaid once increment is generated. However, the Project Plan also authorizes assistance in development financing to be provided to those projects making public improvements and impacting the public realm consistent with the CCFBC and the goals of the

Center City Vision. The Policy Guide seeks to lay out the policies, guidelines, application processes, and implementation of the granting of such assistance in development financing. Incremental tax revenues may be allocated to eligible private, tax-generating real estate development projects. In order to receive such assistance, applications must be submitted consistent with the requirements in Section II of the Policy Guide and reviewed by the Center City TIF Application Review Team. In order to receive assistance, projects must meet the policy guidelines provided in Section III of the Policy Guide. Any assistance provided will be subject to a development agreement between the private developer, the City, and the Norman Tax Increment Finance Authority.

The Project Plan is an effort to put in place an economic and financing strategy to entice private development in the Center City area, which is difficult and expensive, but will add greater long-term value and quality to the area. The goal of Project Plan is to provide a financing mechanism that can assist in the public infrastructure envisioned by the CCFBC by stimulating private development. The Policy Guide is an effort to provide guidelines and policies for the use of assistance in development financing consistent with the authorizations of the Project Plan.

RECOMMENDATION: Approval of the Policy Guide for the Norman Center City Project Plan, Increment District No. 3, City of Norman, is recommended to provide guidance on how projects seeking assistance in development financing should be pursued, how they will be evaluated, and the method in which assistance in development financing may be provided. Emily Pomeroy and Cameron Brewer with CEDL presented the Policy Guide and will be available to answer additional questions, should any arise.

Encl: Policy Guide for the Norman Center City Project Plan

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